

# High Capacity Transit Taskforce Primer: Economic Impact Analysis

## **Introduction**

In predetermining the value of HCT investments in the Houston-Galveston region, economic impact analysis is critical. Developing a standard of review, analysis, and assessment will not only help determine whether to “Go or No Go” investments in HCT in the region, but also will provide insight on how to apply investments to attain desired results. The economic impact assessment will evaluate the value of investments and improvement impacts.

## **Measurement of Economic Impact: Direct, Indirect, and Induced Investments**

Differentiating the various types of investments is one way in which to determine the types of impacts that result from investment in HCT. Identifying, and valuing these investments is critical to understand the economic impact.

- ***Direct Investments***  
Immediate capital and operational investments in projects that subsequently drive indirect and induced investments subsequently.
- ***Indirect and Induced Investments***  
Subsequent investments to direct investments that provide residual impact to the proximity and region of the initial HCT investment.

## **Improvement Impacts**

The standard means in which to value an improvement impact is through the perspective of individual citizens, households, businesses, household communities and business clusters. There are various factors to determine the impact of investment upon these essential stakeholder participants.

- ***Travel Improvements-*** Improvement in passenger travel and mobility, including time savings, travel reliability, cost savings, and safety improvements.
- ***Access Improvements-*** Improvement in business market access and spatial agglomeration resulting in higher productivity and growth.
- ***Non-Economic Improvements-*** Quality of life and environment improvements that increase optionality for citizens and businesses.

## **Conclusion**

Analysis of economic impact is not only critical to justifying going forward with any investment project, it is critical in determining how to approach an investment project. In consideration of HCT investments in the Houston-Galveston region, it is essential to execute a sound economic impact analysis of the initiative for citizens, business and all effected in between.